UNITED
NATIONS

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Security Council

Distr.
GENERAL

S/1998/899
29 September 1998
ENGLISH
ORIGINAL: ARABIC

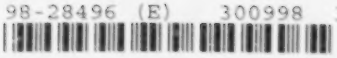
LETTER DATED 25 SEPTEMBER 1998 FROM THE PERMANENT REPRESENTATIVE OF IRAQ TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

On instructions from my Government, I have the hcnour to transmit to you herewith a letter dated 21 September 1998 from Mr. Tariq Aziz, Deputy Prime Minister and Acting Minister for Foreign Affairs of Iraq, refuting Kuwait's claims concerning the Iraqi oil tankers that it seized and then proceeded to sell.

I should be grateful if you would have the present letter and its annex circulated as a document of the Security Council.

(Signed) Nizar HAMDOON
Ambassador
Permanent Representative

98-28496 (E) 300998 300998



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Annex

Letter dated 21 September 1996 from the Deputy Prime Minister and Acting Minister for Foreign Affairs of Iraq addressed to the Secretary-General

Further to my letter to you of 1 July 1998 (S/1998/612, annex), I should like to refer to the letter dated 15 July 1998 addressed to you in response to my aforesaid letter by the Minister for Foreign Affairs of Kuwait (S/1998/658, annex) and to state as follows:

1. At the time they were seized, the Iraqi tankers in question were loaded with Basrah light crude oil taken on at the Iraqi port of Mina' al-Bakr, as shown by the relevant bills of lading (see appendix I). This can be established by laboratory analysis of samples of the oil in the tanks and scrutiny of the bills of lading. This refutes the claim that they were being used at the time for the theft of Kuwaiti oil.

2. The tankers were in the area at that time only for purposes relating to the dispersal of vessels with a view to preventing their coming under attack in the course of the ongoing military operations. They had not, as Kuwait alleges, been made ready to pollute the marine environment. It was, in fact, the bombing and sinking by aggressor aircraft of those of our tankers that were moored in Iraqi territorial waters that caused large-scale environmental pollution in the area. Responsibility for this is to be attributed to the forces that carried out the bombing attacks.

3. At the time they were seized the tankers were in excellent technical condition, and the papers certifying their worthiness for navigation and operation were current and valid. This can be documented by Lloyd's Register of Shipping, and the tankers had been rated by Lloyd's and by the insurance companies. Appendix II shows the maintenance work that had been carried out on the tankers prior to their seizure.

4. During the period of their arrest in Kuwaiti territorial waters, no maintenance was done on the tankers, they were not put into operation on a periodic basis, and they were not laid up in order to preserve them at little cost. Their technical condition thus deteriorated. Had any part of the sum of 18.4 million dollars that Kuwait claims it spent actually been paid out, it would have been possible to maintain them, renew their certification and return them to operation. Kuwait is caught in a contradiction in its determination of the sum that it claims to have spent and the sum for which the tankers were sold.

5. The tankers were loaded with 4,376,380 barrels of Basrah light crude oil with an approximate value of not less than 50 million United States dollars. At the same time, the approximate value of the tankers themselves, in accordance with prices in the current market for tankers, is not less than 40 million dollars. The announcement that they were sold for 16.5 million dollars therefore indicates theft and an obvious attempt at exploitation.

6. The Iraqi merchant fleet flying the Iraqi flag is registered at the port of Basrah, as is documented in the registers of that port, and with Lloyd's of London and the insurance companies. In accordance with the relevant international norms, any sale of vessels must be accompanied by such legal and commercial procedures as the delivery to the purchaser of the bill of sale and of the deletion certificate from the port of registration so as to enable the purchaser to file for registration at another port. What Kuwait has done constitutes theft and fraud perpetrated on flimsy grounds.

As stated in my previous letter, the Government of the Republic of Iraq regards the sale of the five oil tankers as void. It reserves its legitimate right to seek compensation for the full and true value of the vessels and of their cargoes. It further reserves its lawful right to institute legal proceedings against the purchasers of the tankers and to bring action against them in any country in the world in order to safeguard its legitimate rights under the law.

(Signed) Tariq AZIZ
Deputy Prime Minister
Acting Minister for Foreign Affairs
of the Republic of Iraq

Appendix I

[Original: English]

STATE OIL MARKETING

ORIGINAL NEGOTIABLE

SOMO

BILL OF LADING

SHIPPED IN APPARENT GOOD ORDER AND CONDITION BY SOMO

IN THE S.S. M/T CALLED THE ALMUTANABBI WHEREOF

CAPT. MAHMOOD HAIDER IS MASTER FOR THIS PRESENT VOYAGE NOW

LYING AT THE PORT OF

BASRAH LIGHT CRUDE OIL IN BULK

CUBIC METERS	U S BARRELS	LONG TONS	METRIC TONS
118,209.5	743489	99,285.5	100,879.0

AND TO BE DELIVERED, SUBJECT TO THE UNDERMENTIONED CONDITIONS AND EXCEPTIONS, IN LIKE GOOD ORDER AND CONDITION AT THE PORT OF TO ORDER

OR AS NEAR THERETO AS SHE MAY SAFELY GET, ALWAYS AFLOAT, UNTO ORDER "S O M O" OR

TO THEIR ASSIGNS UPON PAYMENT OF FREIGHT AS PER CHARTER PARTY. ALL CONDITIONS AND EXCEPTIONS OF WHICH CHARTER PARTY, INCLUDING THE NEGLIGENCE CLAUSE, ARE DEEMED TO BE INCORPORATED IN THIS BILL OF LADING.

THE SHIP HAS LIBERTY BEFORE OR AFTER PROCEEDING ON [illegible] TO PROCEED TO AND STAY AT ANY PORT OR PORTS IN ANY ORDER FOR ANY PURPOSE AND NOT WITHSTANDING THAT SAME MAY BE OUT OF THE DIRECT ROUTE TO THE PORT OF DISCHARGE, WITH LIBERTY TO SAIL WITHOUT PILOTS, AND TO TOW OR TO BE TOWED AND TO TOW AND ASSIST VESSELS IN DISTRESS OR OTHERWISE IN ALL POSITIONS AND TO DEVIATE FOR THE PURPOSE OF SAVING LIFE OR PORPERETY

IN WITNESS WHEREOF THE MASTER OF THE SAID SHIP HAS AFFIRMED TO ONE BILLS OF LADING ALL OF THIS TENOR AND DATE, ONE OF WHICH BEING ACCOMPLISHED THE OTHERS TO STAND VOID

DATED AT [illegible] THIS NINETEENTH DAY OF OCTOBER, 1990

MASTER

STATE OIL MARKETING

SOMO

ORIGINAL NEGOTIABLE

BILL OF LADING

SHIPPED IN APPARENT GOOD ORDER AND CONDITION BY SOMO

IN THE S.S - M/T CALLED THE TARIK IBN ZIYAD WHEREOF

Capt. HAMED YOUSIF ABDULLAH IS MASTER FOR THIS PRESENT VOYAGE NOW

LYING AT THE PORT OF

IN BULK

BASRAH LIGHT CRUDE OIL

CUBIC METERS	U.S BARRELS	LONG TONS	METRIC TONS
133,593.5	840,276	112,084.5	113,883.5

AND TO BE DELIVERED (SUBJECT TO THE UNDERMENTIONED CONDITIONS AND EXCEPTIONS) IN LIKE GOOD ORDER AND CONDITION AT THE PORT OF TO ORDER

OR AS NEAR THERETO AS SHE MAY SAFELY GET (ALWAYS AFLOAT) UNTO ORDER " S O M O "

OR

TO THEIR ASSIGNS UPON PAYMENT OF FREIGHT AS PER CHARTER PARTY. ALL CONDITIONS AND EXCEPTIONS OF WHICH CHARTER PARTY, INCLUDING THE NEGLIGENCE CLAUSE, ARE DEEMED TO BE INCORPORATED IN THIS BILL OF LADING.

THE SHIP HAS LIBERTY BEFORE OR AFTER PROCEEDING ON THE VOYAGE TO PROCEED TO AND STAY AT ANY PORT OR PORTS IN ANY ORDER FOR ANY PURPOSE AND NOT WITHSTANDING THAT SAME MAY BE OUT OF THE DIRECT ROUTE TO THE PORT OF DISCHARGE WITH LIBERTY TO SAIL WITHOUT PILOTS, AND TO TOW OR TO BE TOWED AND TO TOW AND ASSIST VESSELS IN DISTRESS OR OTHERWISE IN ALL POSITIONS, AND TO DEVIATE FOR THE PURPOSE OF SAVING LIFE OR PORPERETY

IN WITNESS WHEREOF THE MASTER OF THE SAID SHIP HAS AFFIRMED TO ONE BILLS OF LADING, ALL OF THIS TENOR AND DATE, ONE OF WHICH BEING ACCOMPLISHED THE OTHERS TO STAND VOID

DATED AT THIS TWENTYFOURTH DAY OF SEPTEMBER, 19 90

MASTER

IRAQI OIL TANKERS COMPANY

M.T. "TARIK IBN ZIYAD"
MASTER

STATE OIL MARKETING

SOMO

ORIGINAL NEGOTIABLE

BILL OF LADING

SHIPPED IN APPARENT GOOD ORDER AND CONDITION BY SOMO

IN THE S/S - M/T CALLED THE ALQADISIYAH WHEREOF

Capt. [redacted] ABDULLAH IS MASTER FOR THIS PRESENT VOYAGE NOW

LYING AT THE PORT OF

BASRAH LIGHT CRUDE OIL IN BULK

CUBIC METERS	U.S. BARRELS	LONG TONS	METRIC TONS
174,605.3	1098,236	146,615.3	149,768.5

AND TO BE DELIVERED (SUBJECT TO THE UNDERMENTIONED CONDITIONS AND EXCEPTIONS) IN LIKE GOOD ORDER AND CONDITION AT THE PORT OF TO ORDER

OR AS NEAR THERETO AS SHIP MAY SAFELY GET (ALWAYS AFLOAT) UNTO ORDER "S O M O" OR

TO THEIR ASSIGNS UPON PAYMENT OF FREIGHT AS PER CHARTER PARTY. ALL CONDITIONS AND EXCEPTIONS OF WHICH CHARTER PARTY INCLUDING THE NEGLIGENCE CLAUSE ARE DEEMED TO BE INCORPORATED IN THIS BILL OF LADING.

THE SHIP HAS LIBERTY BEFORE OR AFTER PROCEEDING ON THE VOYAGE TO PROCEED TO AND STAY AT ANY PORT OR PORTS IN ANY ORDER FOR ANY PURPOSE AND NOT WITHSTANDING THAT SAME MAY BE OUT OF THE DIRECT ROUTE TO THE PORT OF DISCHARGE, WITH LIBERTY TO SAIL WITHOUT PILOTS AND TO TOW OR TO BE TOWED AND TO TOW AND ASSIST VESSELS IN DISTRESS OR OTHERWISE IN ALL POSITIONS AND TO DEVIATE FOR THE PURPOSE OF SAVING LIFE OR PORPERETY

IN WITNESS WHEREOF THE MASTER OF THE SAID SHIP HAS AFFIRMED TO ONE BILLS OF LADING, ALL OF THIS TENOR AND DATE, ONE OF WHICH BEING ACCOMPLISHED THE OTHERS TO STAND VOID

DATED AT Al-Bakr Terminal, Fourth DAY OF September, 1990

MASTER

[redacted] ABDULLAH

STATE OIL MARKETING

SOMO

ORIGINAL NEGOTIABLE

BILL OF LADING

SHIPPED IN APPARENT GOOD ORDER AND CONDITION BY SOMO

IN THE S/S - M/T CALLED THE HITTIN WHEREOF

Capt. SA'AD MOH'D ABBAS IS MASTER FOR THIS PRESENT VOYAGE NOW

LYING AT THE PORT OF

BASRAH LIGHT CRUDE OIL IN BULK

Gross and Net

CUBIC METERS	U S BARRELS	LONG TONS	METRIC TONS
175,685.0	1,105,922	147,454.0	149,821.0

AND TO BE DELIVERED (SUBJECT TO THE UNDERMENTIONED CONDITIONS AND EXCEPTIONS) IN LIKE GOOD ORDER AND CONDITION AT THE PORT OF TO ORDER

OR AS NEAR THERETO AS SHE MAY SAFELY GET (ALWAYS AFLOAT) UNTO ORDER " S O M O "

OR

TO THEIR ASSIGNS UPON PAYMENT OF FREIGHT AS PER CHARTER PARTY. ALL CONDITIONS AND EXCEPTIONS OF WHICH CHARTER PARTY INCLUDING THE NEGLIGENCE CLAUSE. ARE DEEMED TO BE INCORPORATED IN THIS BILL OF LADING.

THE SHIP HAS LIBERTY BEFORE OR AFTER PROCEEDING ON THE VOYAGE TO PROCEED TO AND STAY AT ANY PORT OR PORTS IN ANY ORDER FOR ANY PURPOSE AND NOTWITHSTANDING THAT SAME MAY BE OUT OF THE DIRECT ROUTE TO THE PORT OF DISCHARGE. WITH LIBERTY TO SAIL WITHOUT PILOTS. AND TO TOW OR TO BE TOWED AND TO TOW AND ASSIST VESSELS IN DISTRESS OR OTHERWISE IN ALL POSITIONS. AND TO DEVIATE FOR THE PURPOSE OF SAVING LIFE OR PORPERETY

IN WITNESS WHEREOF THE MASTER OF THE SAID SHIP HAS AFFIRMED TO ONE BILLS OF LADING. ALL OF THIS TENOR AND DATE. ONE OF WHICH BEING ACCOMPLISHED THE OTHERS TO STAND VOID

DATED AT THIS THIRTIETH DAY OF AUGUST, 19 90

IRAQI OIL TANKERS COMPANY
M.T. "HITTIN"
MASTER
P.O. BOX 37 - BASRAH - IRAQ

MASTER

Capt. SAAD M. ABBAS

STATE OIL MARKETING

SOMO

ORIGINAL NEGOTIABLE

BILL OF LADING

SHIPPED IN APPARENT GOOD ORDER AND CONDITION BY SOMO

IN THE S/S (M/T CALLED THE AL FAO WHEREOF

Capt. FALAH JASSIM ALHAMED IS MASTER FOR THIS PRESENT VOYAGE NOW

LYING AT THE PORT OF

IN BULK

BASRAH LIGHT CRUDE OIL

CUBIC METERS	U S BARRELS	LONG TONS	METRIC TONS
93,630.5	588,918	78,603.0	79,864.5

AND TO BE DELIVERED (SUBJECT TO THE UNDERMENTIONED CONDITIONS AND EXCEPTIONS) IN LIKE GOOD ORDER AND CONDITION AT THE PORT OF TO ORDER

OR AS NEAR THERETO AS SHE MAY SAFELY GET (ALWAYS AFLOAT) UNTO ORDER "S O M O"

OR

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IN WITNESS WHEREOF THE NUMBER OF THE 2ND ONE HAS BEEN SIGNED TO ONE BILLS OF LADING ALL OF THIS TENOR AND DATE ONE OF WHICH BEING ACCOMPLISHED THE OTHERS TO STAND VOID

DATED AT THIS TWENTYFIRST DAY OF SEPTEMBER, 19 90

MASTER

M.V. "AL-FAO" O.N 69 BASRAH

Appendix II

Name of tanker	Last refit	Duration (days)	Shipyard
Hittin	June 1990	63	Lisnave, Portugal
Al-Mutanabbi	March 1988	76	Piraeus, Greece
Al-Qadisiyah	March 1987	74	Lisnave, Portugal
Tariq ibn Ziyad	August 1988	213	Piraeus, Greece